


Regular Meeting

Agenda Item #	6
Meeting Date	September 26, 2005
Prepared By	Suzanne Ludlow Community and Government Liaison
Approved By	Barbara B. Matthews City Manager 

Discussion Item	Ordinance to Increase Local Supplement to State Homeowner Property Tax Credit
Background	<p>Since 1991, the City has granted a local supplement to homeowners who qualify for the state homeowner property tax credit. In FY05, the City Council increased the supplement from 15% to 30%. During the preparation of the FY06 budget, the City Council expressed interest in increasing the supplement from 30% to 50% due to the continued burden of rising property assessments, and thus rising taxes, on persons of fixed incomes.</p> <p>In FY03, there were 128 eligible recipients of the program, with a cost of \$24,721 to the City. In FY04, there were 112 eligible recipients of the program, with a cost of \$21,875 to the City. In FY05, there were 115 eligible recipients of the program, with a cost of \$35,396 to the City.</p> <p>First reading of the ordinance was held on September 19, 2005.</p>
Policy	The City desires to provide greater tax relief to low income homeowners who are eligible for the State Homeowner Property Tax Credit.
Fiscal Impact	The FY06 budget includes \$50,000 for the property tax rebate program. This amount should be sufficient in light of the City's past experience.
Attachments	Draft ordinance increasing the local supplement to State Homeowner Property Tax Credit
Recommendation	Staff recommends that the City Council adopt the proposed ordinance.
Special Consideration	

Introduced by: Councilmember Elrich

First Reading: September 19, 2005

Second Reading:

Effective Date:

ORDINANCE NO. 2005- 30

(Increase in Local Supplement to State Homeowners Property Tax Credit)

WHEREAS, Section 9-215.1 of the Tax-Property Article of the *Annotated Code of Maryland* authorizes a municipality to grant a local supplement to the state homeowner property tax credit program; and

WHEREAS, the local supplement is equal to a percentage not to exceed 50% of the state homeowner property tax credit provided under Section 9-104 of the Tax-Property Article of the *Annotated Code of Maryland*; and

WHEREAS, by Ordinance No. 1991-42, the Council adopted a local supplement to the state homeowner's property tax credit program and set the amount of the local supplement at 30% of the state homeowner's property tax credit amount (Prior Code, Chapter 11, Article 4); and

WHEREAS, by Ordinance No. 2004-27, the Council increased the amount of the local supplement to 30% of the state homeowner's property tax credit amount; and

WHEREAS, the Council desires to further increase the local supplement to 50% of the state homeowner's property tax credit in order to provide greater tax relief against City property taxes for low-income and other homeowners who qualify for the state homeowner property tax credit.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND, THAT:

SECTION 1. Title 7, Purchasing and Taxation, Chapter 7.28, Local Supplement to State Homeowners Property, Section 7.28.020 of the *Takoma Park Code* (2004 edition) is amended as follows:

7.28.020 Amount.

A. * * * *

B. The amount of the homeowner's tax credit local supplement shall be equal to ~~thirty~~ fifty percent (50%) of the eligible homeowner's state homeowner's property tax credit for the taxable year in which the homeowner's tax credit local supplement is sought.

C. * * * *

SECTION 2. This Ordinance shall be effective upon adoption.

Adopted this _____ day of _____, 2005, by roll-call vote as follows:

Aye:

Nay:

Absent:

Abstain:

EXPLANATORY NOTE

Additions to the existing language of the *Takoma Park Code* are shown by shading and underlining.

~~Deletions~~ to the existing language of the *Takoma Park Code* are shown by ~~strikeout~~.

* * * * indicates language of the *Takoma Park Code* which is not reproduced in this Ordinance and which is not being changed.

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